

## **Market Adjustments**

### **Frequently Asked Questions**

**(Updated May 2016)**

**Q:** What is a market adjustment?

**A:** Market adjustments refer to salary increases employees may receive in July. The intention is to move employees closer to the midpoint of salary range for his/her job classification, which is the market rate.

**Q:** Why is the state implementing market adjustments?

**A:** It is the goal to align state salaries with similar jobs in the market, both public and private sector. In order to do so, the Department has conducted an in depth study of salaries and positions and is seeking to move employees to the midpoint range. This lessens the difference in salary competitiveness and seeks to retain and reward state employees.

**Q:** Who will benefit from the market adjustments?

**A:** Employees in the Executive Branch will be the recipients of market salary adjustments. The Executive branch includes 23 Cabinet level agencies, and certain boards and Commissions. For example, Children's Services, Correction, DIDD, Human Services, etc. A complete list of these agencies can be found on [www.tn.gov/hr](http://www.tn.gov/hr).

**Q:** Will all employees in the Executive Branch see a salary increase from the market adjustment?

**A:** No. The market increase this year was designed to impact employees who currently make under \$50,000.

**Q:** Can you tell me exactly which employees will be affected by the market adjustments?

**A:** No. The market adjustment this year was designed to affect any employee earning less than \$50,000.

**Q:** If I currently earn less than \$50,000, will I receive an increase?

**A:** Likely, employees currently earning less than \$50,000 will see an average increase of 4.25% or an increase to the maximum of the classification range. You can view salary ranges on that plan: <http://www.tn.gov/assets/entities/hr/attachments/ClassificationCompensationPlan.pdf>.

**Q:** May employees receive both the pay for performance salary increase and a market increase?

**A:** If eligible, it is possible to receive both increases.

**Q:** Does the market adjustment take into consideration an employee's longevity? For example, is current salary calculated including longevity?

**A:** Yes. The market adjustment does consider longevity as part of your current salary.

**Q:** What is the average increase for an employee with the market adjustment?

**A:** The average increase is 4.25%.

**Q:** How many employees will benefit from the market adjustment?

**A:** It is estimated that over 25,000 state employees will be eligible for market adjustments.

**Q:** When are the market adjustments effective?

**A:** They are effective on July 1, 2016, and employees will see the amount reflected on their July 29<sup>th</sup> paychecks.

**Q:** How will an employee know if he/she is eligible?

**A:** DOHR will release information to agency HROs in June and employees can check Edison in July for the amount.

**Q:** When will the updated P4P guidelines and FAQs be released?

**A:** Both guidelines and FAQs will be released later this summer after the market adjustments take place.